

HOUSE BILL 342

By Winningham

AN ACT to amend Tennessee Code Annotated, Title 49,
Chapter 4, Part 9, relative to postsecondary
financial assistance from net lottery proceeds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-4-902, is amended by deleting subdivision (19) and by substituting instead the following:

(19) "Grade point average" means the numbered grade average calculated using a 4.0 scale as reported by the high school;

SECTION 2. Tennessee Code Annotated, Section 49-4-902, is amended by deleting subdivision (3) in its entirety.

SECTION 3. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following as a new, appropriately designated subdivision:

() "Expected family contribution" or "EFC" means the amount that a student and the student's family are expected to contribute toward the cost of the student's education determined by applying the federal methodology to the information provided on the student's FAFSA;

SECTION 4. Tennessee Code Annotated, Section 49-4-906, is amended by deleting the language "adjusted gross income" and by substituting instead the language "expected family contribution (EFC)".

SECTION 5. Tennessee Code Annotated, Section 49-4-915(a), is amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2) Have an EFC attributable to the student that does not exceed the maximum EFC required for Pell grant eligibility.

SECTION 6. Tennessee Code Annotated, Section 49-4-915(c), is amended by deleting

the subsection in its entirety and by substituting instead the following:

(c) The EFC attributable to the student shall be reviewed each academic year to determine continuing eligibility for the ASPIRE award.

SECTION 7. Tennessee Code Annotated, Section 49-4-920(a), is amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2) Have an EFC attributable to the student that does not exceed the maximum EFC required for Pell grant eligibility;

SECTION 8. Tennessee Code Annotated, Section 49-4-920(e)(1), is amended by deleting the language "if the student's adjusted gross income at the time of review does not exceed thirty-six thousand dollars (\$36,000)," and by substituting instead the language "if the student's EFC at the time of review does not exceed the maximum EFC required for Pell grant eligibility,".

SECTION 9. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting the last sentence of subdivision (2) and by substituting instead the following sentence:

If such student's EFC, at the time at which such student achieves academic eligibility, does not exceed the maximum EFC required for Pell grant eligibility, the student shall be eligible for an ASPIRE award under § 49-4-915.

SECTION 10. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (3) in its entirety and by substituting instead the following:

(3) Have an EFC attributable to the student not exceeding the maximum EFC required for Pell grant eligibility;

SECTION 11. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following as a new, appropriately designated subdivision:

() "Cumulative grade point average" means the cumulative grade point average reported to the corporation by the postsecondary institution at which the student last

received the scholarship, as calculated by the institution to be consistent with the institution's policy;

SECTION 12. Tennessee Code Annotated, Section 49-4-909(a)(5), is amended by deleting the language "for the total number of semester hours that the student has attempted".

SECTION 13. Tennessee Code Annotated, Section 49-4-911, is amended by deleting the section in its entirety and by substituting instead the following:

(a) To continue to receive a Tennessee HOPE scholarship, a student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply for the scholarship before the established deadlines for each academic term. At the end of the first academic year, the student shall have achieved a cumulative grade point average of at least 2.75 to continue to receive the Tennessee HOPE scholarship. Eligibility for the Tennessee HOPE scholarship shall also be reviewed at the end of each subsequent academic year not to exceed five (5) years from the date of the student's initial enrollment at a postsecondary institution. At the end of any subsequent academic year prior to receiving a baccalaureate degree or reaching the maximum number of semester hours under § 49-4-913 for which a scholarship may be received, the student shall achieve a cumulative grade point average of at least 3.0 to continue to receive the scholarship during the following academic year.

(b) A student receiving a Tennessee HOPE scholarship, who ceases to be academically eligible for the scholarship because the student fails to achieve the cumulative grade point average required at the end of the academic year, may regain the HOPE scholarship, if the student continues to meet all applicable nonacademic requirements for the scholarship, attends an eligible postsecondary institution without the HOPE scholarship, achieves a cumulative grade point average of at least 3.0 at the

end of the academic year, and reapplies for the scholarship. A student who regains the scholarship and then loses the scholarship a second time, by failing to achieve a cumulative grade point average of at least 3.0 at the end of a subsequent academic year in which academic qualifications are reviewed, may not regain the scholarship. No retroactive award of a Tennessee HOPE scholarship shall be made under this subsection (b) for any academic year in which a student was attempting to regain the scholarship.

(c) If a student ceases to be eligible for a Tennessee HOPE scholarship at any time, for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain the Tennessee HOPE scholarship.

SECTION 14. Tennessee Code Annotated, Section 49-4-916(d), is amended by deleting the second sentence of subdivision (2) in its entirety and by substituting instead the following sentence:

The student shall have a cumulative grade point average of at least 2.75 at the end of the first academic year to be eligible to receive a Tennessee HOPE scholarship award and a General Assembly Merit Scholar supplemental award to attend an eligible postsecondary institution during the next academic year.

SECTION 15. Tennessee Code Annotated, Section 49-4-916(e), is amended by deleting the word "semester" in the first sentence of the subsection and by substituting instead the words "academic year".

SECTION 16. Tennessee Code Annotated, Section 49-4-920(b), is amended by deleting the first sentence of subdivision (1) and by substituting instead the following:

A Tennessee HOPE access grant shall be awarded to an eligible student only until the end of the semester in which the student has completed the first academic year.

SECTION 17. Tennessee Code Annotated, Section 49-4-920(e)(1), is amended by

deleting the language "the semester in which the student has attempted twenty-four (24) semester hours" wherever it appears and by substituting instead the language "the first academic year".

SECTION 18. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting the first sentence of subdivision (2) in its entirety and by substituting instead the following sentence:

If a student receiving a Tennessee HOPE access grant does not achieve a cumulative grade point average of at least 2.75 at the end of the first academic year, but the student, without financial assistance from lottery proceeds, continues to attend an eligible postsecondary institution and achieves a cumulative grade point average of at least 3.0 at the end of a subsequent academic year when eligibility for a scholarship is checked, then the student shall be eligible for a Tennessee HOPE scholarship, if the student meets all other applicable requirements.

SECTION 19. Tennessee Code Annotated, Section 49-4-929, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) If the student transfers to an eligible postsecondary institution before completion of a second academic year, then the student shall have a cumulative grade point average of at least 2.75 at the time of transfer to be eligible academically for the scholarship. If the student transfers to an eligible postsecondary institution after completion of a second academic year, then the student shall have a cumulative grade point average of at least 3.0 at the time of transfer to be eligible academically for the scholarship.

SECTION 20. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (4) in its entirety and by substituting instead the following:

(4) Attend an eligible postsecondary institution and complete the first academic

year;

SECTION 21. Tennessee Code Annotated, Section 49-4-931, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b) A nontraditional student shall be eligible for a Tennessee HOPE scholarship at the end of the semester in which the student has completed the first academic year, if the student has a cumulative grade point average of at least 2.75. A nontraditional student who does not achieve a cumulative grade point average of at least 2.75 at the end of the first academic year shall be eligible for a Tennessee HOPE scholarship, if the student achieves a cumulative grade point average of at least 3.0 at the end of any subsequent academic year in which eligibility is reviewed under § 49-4-911.

SECTION 22. Tennessee Code Annotated, Section 49-4-912(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) Tennessee HOPE scholarship students may enroll as full-time students or part-time students at an eligible postsecondary institution. A student who enrolls as a full-time student at the beginning of a semester may drop to part-time status; provided, that continuous enrollment is maintained in that semester. TSAC shall promulgate rules and regulations for attendance as a part-time student and payment of awards to part-time students. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 23. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following language as new, appropriately designated subdivisions:

() "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution;

() "Gift aid" means scholarships and grants from any source, including funds provided through the federal Foster Care Independence Act of 1999 and other similar programs. Student loans and work-study awards shall not be considered gift aid;

SECTION 24. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (f) in its entirety and substituting instead the following:

(f) The Tennessee HOPE foster child tuition grant shall be the cost of attendance less any gift aid, with the total HOPE foster child tuition grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended.

Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE foster child tuition grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended.

SECTION 25. Tennessee Code Annotated, Section 49-4-933, is amended by deleting subsection (e) in its entirety:

SECTION 26. Tennessee Code Annotated, Section 49-4-914(a), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible four-year postsecondary institution shall be four thousand dollars (\$4,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 27. Tennessee Code Annotated, Section 49-4-914(b), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 28. Tennessee Code Annotated, Section 49-4-915(b), is amended by deleting the fourth sentence of the subsection in its entirety and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, the ASPIRE award for full-time students shall be one thousand five hundred dollars (\$1,500) for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such ASPIRE award shall be determined in accordance with § 4-5-111 and shall be set in the general appropriations act.

SECTION 29. Tennessee Code Annotated, Section 49-4-921, is amended by deleting the last sentence of subsection (f) and substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Wilder-Naifeh technical skills grant awarded under this section shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year,

the amount of such scholarship shall be determined in accordance with § 4-5-111, and shall be set in the general appropriations act.

SECTION 30. Sections 24 and 25 of this act that amend § 49-4-933 are declared to be remedial in nature and to that end shall apply to all Tennessee HOPE foster child tuition grant awards made on or after July 1, 2006.

SECTION 31. Sections 2 through 10 of this act shall take effect January 1, 2008, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2008-2009 academic year and academic years thereafter. Section 1 and Sections 11 through 25 of this act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2007-2008 academic year and academic years thereafter. All remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.